

January 15, 2010

Quality Site Requirement Alert (QSRA) – 2010-03

Making Work Pay Credit [BALANCE DUE RETURNS]

QSR# 5 Timely Filing and Paying

Purpose

The American Recovery & Reinvestment Act (ARRA) was signed into law on February 16, 2009. The provisions added several new tax deductions and credits as well as changes to existing deductions and credits. The Making Work Pay credit is one of the provisions of the changes that mean more take-home pay for many taxpayers. However, some taxpayers will have had to ensure that enough tax was withheld from their pay to avoid a tax liability.

Issue

For an individual who worked several jobs, or for a working couple that didn't change their withholding, there's a possibility they may owe taxes this year. There may be significant increase in balance due returns overall this year, with possibly 75 million Americans owing who may not previously have owed.

How to assist taxpayers with balance due returns

Advise the taxpayer of the following options that are available for balance due returns:

What should the taxpayer do if they owe? Options include:

- Check or money order payment,
- Credit card payments,
- Electronic Funds Withdrawal, or
- EFTPS (Electronic Federal Tax Payment System).

NOTE: This section in Publication 4012 was updated, so don't forget to make your pen & ink changes to Publication 4012, page 13-7. The updates are located in Publication 4491X.

If someone cannot pay in full, they may –

- Complete an Online Payment Agreement Application with the electronic Returns, or
- Submit Form 9465, *Installment Agreement Request*, with the return.

More information is available at www.irs.gov, in Publication 4714, *Federal Taxes – Do You Owe*, and in Publication 4012 (page 13-7), *Balance Due Returns*.

If you have any questions, please discuss with your site coordinator, email partner@irs.gov, or contact your local IRS SPEC relationship manager.

Thank you for volunteering to serve your community and for your dedication in providing top QUALITY service!